

From: Chip Filson <[REDACTED]>
Sent: Friday, January 25, 2019 3:04 PM
To: [REDACTED]@washpost.com
Subject: Your NCUA Article and the critical issues for credit union members

Thank you for continuing the work of the 4th estate in overseeing NCUA.

The points you make about a sense of entitlement, the agency's independence from government oversight (White House and congress), inconsistent agency directives, excess spending and a spirit of "if it isn't prohibited, she assumed it was acceptable" would normally disqualify persons from further leadership responsibilities.

As pointed as your January 19 Washington Post examples are, I believe there are far greater and financially consequential issues for the cooperative system and its 100 million members.

Last year I sent you articles outlining how the Agency kept over \$3.1 billion in recoveries from liquidations of five corporates credit unions for use with future natural person problems. This action was specifically prohibited in the congressional explanation of the act establishing the Temporary Credit Union Corporate Stabilization Fund (TCCUSF). It cleverly circumvented the existing law about how funds should be raised for credit union's unique insurance fund, the NCUSIF.

The article above (to be published next week) shows the unrestrained, unexplained and unmonitored used of these funds, disclosed in 2018, in two expenditures totaling over \$1.5 billion or five times the Agency's annual budget.

This fundamental failure of fiduciary oversight by the board (or Congress) affects all members who are the source of all the agency's funding. I have tried repeatedly through direct contact with Public Affairs, the Chief Financial Officer and the FOIA process to obtain an explanation for the newly disclosed \$748 million AME expense revealed in May 1918. That request is now on appeal as no pertinent documents were provided from my initial FOIA filing.

Your description of a lack of open and responsible executive behavior harms not only the agency's reputation, but also gives the impression of credit unions as second class financial institutions unworthy of professional, accountable leadership. I contrast NCUA's actions with the newly appointed FDIC Chair's leadership priorities. Would they apply to NCUA!

If you would like to explore any of these issues further, please do not hesitate to reach out.

Chip Filson